



RESOLUTION

APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE INCLUDED AND EXCLUDED EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU IN BARGAINING UNITS 2, 3, AND 4 (HAWAII GOVERNMENT EMPLOYEES ASSOCIATION).

WHEREAS, Chapter 89, Hawaii Revised Statutes (HRS), establishes a statewide collective bargaining process for public employees; and

WHEREAS, pursuant to Chapter 89, HRS, the employers and representatives of Bargaining Units 2, 3, and 4 (Hawaii Government Employees Association) began negotiations in June 2014, concerning collective bargaining agreements for the employees in the bargaining units; and

WHEREAS, the parties agreed to new contracts which were ratified on April 28, 2015 and April 30, 2015; and

WHEREAS, the new collective bargaining agreements make adjustments to wages and is effective from July 1, 2015 through June 30, 2017; and

WHEREAS, pursuant to Section 89-10(b) and 89-11(g), HRS, the cost items are subject to appropriations by the respective legislative bodies; now therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approve the collective bargaining cost items for the included and excluded employees of the City and County of Honolulu in Bargaining Units 2, 3, and 4, a summary of which is attached as Exhibit A; and



RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor and Director of Human Resources of the City.

INTRODUCED BY:

[Handwritten signature]
_____ (br)

DATE OF INTRODUCTION:

MAY 11 2015

Honolulu, Hawaii

Councilmembers

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**COLLECTIVE BARGAINING REPORT TO CITY COUNCIL
HGEA AGREEMENT FOR BARGAINING UNITS 2, 3, AND 4**

The current collective bargaining agreements for Bargaining Units 2, 3, and 4, with the Hawaii Government Employees Association (HGEA) expire on June 30, 2015. Negotiations for successor agreements began in June 2014. The Employer and Union tentatively agreed to new contracts between April 17 – 26, 2015. HGEA held statewide ratification meetings from April 21-30, 2015.

The settlement covers the following City employees:

Bargaining Unit	Included	Excluded	Total
02 - Blue Collar Supervisors	215	0	215
03 - White Collar Non-supervisory	1,807	195	2,002
04 - White Collar Supervisory	148	2	150
TOTAL	2,170	197	2,367

(Based on filled positions as of March 31, 2015)

Summary of Settlement

I. Duration

Each agreement is effective from July 1, 2015, to and including June 30, 2017.

II. Salaries

A. Bargaining Unit 2

1. Effective 7/1/15, continuation of step movement plan.
2. Effective 7/1/15, increase the rates on the salary schedule by 0.3%, and 0.3% increase to employees not assigned to the salary schedule.
3. Effective 7/1/15, employees on Steps A and L1 move to Step L2. Delete Steps A, L1, and L5 and rename the remaining steps A1, B1, C1.
4. Effective 7/1/15, employees who are on the maximum step as of 6/30/15, or employees not assigned to the salary schedule, or employees who do not move to a new step during the period 7/1/15 – 6/30/16 shall receive a 2% lump sum bonus.
5. Effective 10/1/15, increase the rates on the salary schedule by 2.0%, and 2.0% increase to employees formerly on step L5 or not assigned to salary schedule.

6. Effective 4/1/16, increase the rates on the salary schedule by 2.0%, and 2.0% increase to employees formerly on step L5 or not assigned to salary schedule.
7. Effective 7/1/16, continuation of step movement plan.
8. Effective 10/1/16, increase the rates on the salary schedule by 2.0%, and 2.0% increase to employees formerly on step L5 or not assigned to salary schedule.
9. Effective 4/1/17, increase the rates on the salary schedule by 2.0%, and 2.0% increase to employees formerly on step L5 or not assigned to salary schedule.

B. Bargaining Units 3 and 4

1. Effective 7/1/15, eligible employees receive "catch up" steps on the step movement plan.
2. Effective 7/1/15, continuation of step movement plan.
3. Effective 7/1/15, employees who are on the maximum step as of 6/30/15, employees not assigned to the salary schedule, or employees who do not move to a new step during the period 7/1/15 – 6/30/16 shall receive a one-time lump sum payment of \$1,500.
4. Effective 7/1/16, continuation of step movement plan.
5. Effective 7/1/16, all employees shall receive a lump sum payment of \$1200. Employees who are less than full-time shall receive a prorated amount.
6. Effective 1/1/17, increase the rates on the salary schedule by 1.6%, and 1.6% increase to employees between steps, exceeding the maximum step, or not assigned to a salary schedule.

The following chart summarizes the City's estimated salary costs for the two-year contract period:

SALARY COSTS FOR BARGAINING UNITS 2, 3, & 4			
	FY 2016	FY 2017	TOTAL
Without BWS			
Included Employees	\$5,894,472	\$10,794,024	\$16,688,496
Excluded Employees	\$543,539	\$919,735	\$1,463,274
TOTAL	\$6,438,011	\$11,713,759	\$18,151,770
With BWS			
Included Employees	\$6,509,507	\$11,798,104	\$18,307,611
Excluded Employees	\$582,777	\$990,798	\$1,573,575
TOTAL	\$7,092,284	\$12,788,902	\$19,881,186

III. Standby Pay (Bargaining Unit 2 only)

- A. When assigned to standby duty, an employee shall be paid an additional amount equal to 25% of the employee's daily rate for each portion of a calendar day, up to a maximum of 2 portions.

The following chart summarizes the City's estimated increase in Standby Pay costs for Bargaining Unit 2 for the two-year contract period:

STANDBY PAY COSTS FOR BARGAINING UNIT 2		
	FY 2016	FY 2017
TOTAL	\$40,096	\$47,318

IV. Employer-Union Health Benefits Trust Fund (EUTF)

- A. Effective 7/1/15, the Employer will pay specific dollar amounts for the PPO and HMO plans which are equivalent to the Employer Contribution rates from the previous year plus an increase of \$10, \$20 or \$30, for the self-only, two-party and family rates, respectively. The Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all other plans except the life insurance plan (for which the Employer shall 100% of the premiums and fees).

- B. Effective 7/1/16, the Employer will pay specific dollar amounts for the PPO and HMO plans which are equivalent to the Employer Contribution rates from the previous year plus an increase of \$10, \$20 or \$30, for the self-only, two-party and family rates, respectively. The Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all other plans except the life insurance plan (for which the Employer shall 100% of the premiums and fees).

The estimated increase to EUTF costs for bargaining units 2, 3, and 4 is as follows:

EUTF COSTS FOR BARGAINING UNITS 2, 3, & 4		
	FY 2016	FY 2017
TOTAL	\$657,616	\$1,214,877

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
C E R T I F I C A T E

RESOLUTION 15-124

Introduced: 05/11/15

By: ERNEST MARTIN (BR)

Committee: BUDGET

Title: RESOLUTION APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE INCLUDED AND EXCLUDED EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU IN BARGAINING UNITS 2, 3, AND 4 (HAWAII GOVERNMENT EMPLOYEES ASSOCIATION).

Voting Legend: * = Aye w/Reservations

05/27/15	BUDGET	CR-205 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION.
06/03/15	COUNCIL	CR-205 AND RESOLUTION 15-124 WERE ADOPTED. 9 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, OZAWA, PINE.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.



GLEN TAKAHASHI, CITY CLERK



ERNEST Y. MARTIN, CHAIR AND PRESIDING OFFICER